

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4450-01
BILL NO.: HB 2010
SUBJECT: Returned Checks
TYPE: Original
DATE: March 3, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Counties	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Economic Development - Divisions of Finance and Credit Unions** assume the proposal would have no fiscal impact on their agencies.

Officials of the **Office of Prosecution Services** assume that the proposal would increase fees collected by county prosecutors for bad checks.

None of the county prosecutors to whom **Oversight** forwarded this proposal provided an estimate of fiscal impact. However, Oversight assumes that the proposal would increase the fees assessed by prosecuting or circuit attorneys on returned checks, and that counties would consequently collect additional revenues from such fees. The amount of increased collections cannot be reasonably determined.

	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>FISCAL IMPACT - State Government</u>			

	\$0	\$0	\$0
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	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>FISCAL IMPACT - Local Government</u>			

COUNTIES

<u>Income-increased fees for bad checks</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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FISCAL IMPACT - Small Business

Small businesses may collect reasonable service charges, not to exceed thirty dollars, plus the amount charged by the depository institutions for the returned check, from the issuer of the check if the matter is not referred to the prosecuting or circuit attorney.

DESCRIPTION

The proposal would provide for a fee of \$25 to be assessed by prosecuting or circuit attorneys for returned checks. For checks of \$100 or more, an additional fee of 10% of the face amount shall be assessed, with a maximum fee of \$50. In addition, parties to whom a returned check is issued may collect reasonable service charges, not to exceed thirty dollars, plus the amount charged by

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DESCRIPTION (continued)

the depository institution for the returned check, from the issuer of the check if the matter is not referred to the prosecuting or circuit attorney.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development - Divisions of Finance and Credit Unions
Office of Prosecution Services

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
March 3, 2000